GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:3006
ANSWERED ON:10.08.2001
ENT OF LOSS MAKING PSUS
PRABHAT KUMAR SAMANTARAY

Will the Minister of DISINVESTMENT be pleased to state:

(a) Whether the Government have a proposal to go for disinvestment of some loss making public sector undertakings;

(b) if so, the public sector undertakings identified so far for the purpose; and

(c) the steps taken by the Government for the disinvestment of those public sector undertakings?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a)&(b) Disinvestment is being considered and carried out in various Public Sector Enterprises, on an ongoing basis, in accordance with the declared disinvestment policy of the Government. According to it, in generality of the cases, Government will bring down its equity to 26% or below in all non-strategic Central Public Sector Undertakings. The strategic public sector enterprises are those in the areas of arms and ammunitions and the allied items of defence equipments etc.; atomic energy except in the areas relating to generation of nuclear power and applications of radiation, radio isotopes to agriculture, medicine in non-strategic industries; and railway transport. This policy covers all Central Public Sector Undertakings- loss making or profit making. The following PSUs are at various stages in the process of disinvestment:

Air India, CMC Ltd, Hindustan Copper Ltd., Hindustan Organic Chemicals Ltd., Hindustan Zinc Ltd., Indian Airlines, IBP Ltd., India Petrochemicals Corpn Ltd., India Tourism Development Corpn. Ltd., Madras Fertilizers Ltd., Minerals and Metals Trading Corporation Ltd., National Fertilizers Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd., State Trading Corpn. Ltd., Hindustan Cables Ltd Instrumentation Ltd., Jessop and Co. Ltd., NEPA Ltd., Tungabhadra Steel Products Ltd., Videsh Sanchar Nigam Ltd., Bharat Brakes and Valves Ltd., HTL Ltd., NIDC, Bharat Heavy Plates & Vessels, Hindustan Salts and Engineering Projects (India) Ltd. Of these, those that were making losses as of 31.3.2000 are as follows: Air India, Hindustan Copper Ltd., Hindustan Organic Chemicals Ltd., India Tourism Development Corpn. Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd., Hindustan Cables Ltd., Instrumentation Ltd., Jessop and Co. Ltd., Bharat Brakes and Valves Ltd., NIDC, Bharat Heavy Plates & Vessels, Hindustan Salts and Engineering Projects (India) Ltd.

(c) Disinvestment of PSUs is being carried out in accordance with pre-determined transparent procedure. A typical strategic sale/disinvestment includes interalia, selection of Advisors, inviting Expression of interests from prospective bidders, due diligence of the PSUs, finalization of transaction documents namely, Share Holders Agreement /Share Purchase Agreement, inviting financial/ technical bids, evaluation of PSUs etc., before the transaction is concluded. The disinvestment of PSUs is in different stages of implementation.